



**Tuesday, November 28, 2023**

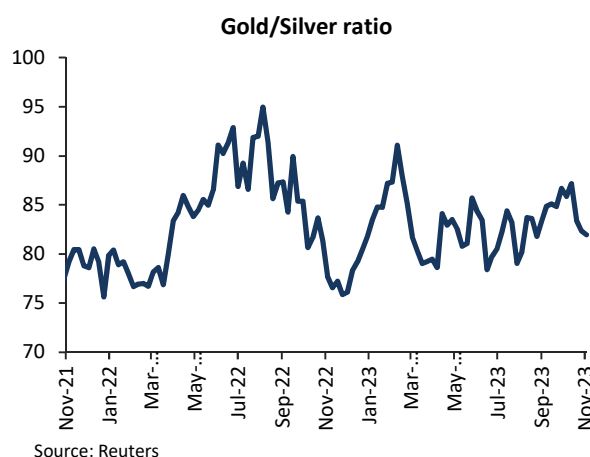
All the way up for both Gold and Silver, most of the price action last week was driven by series of macroeconomic data and market sentiment that is discounting a pause in a rate hike cycle. The gold market has managed to reclaim the \$2,000 level as it looks to end its second consecutive weekly gain. There were some updates regarding Israel and Hamas agreeing to a limited cease-fire and free a few hostages, however market participants did not pay much attention to this ease off in geo-political uncertainty. Last week, Dollar Index also languished to near 2-1/2-month low, while US Yields were hovering near two-month low ~4.4%.

Economic data reported last week was important which supported the rally for gold and silver on higher side. Existing home sales, Core durables goods orders data, US preliminary Manufacturing and Services PMI from the US were released lower than estimates supporting an up-move in Gold and Silver prices. Preliminary PMI data from UK and EU were also reported slightly higher weighing on Dollar Index. This weak economic data points were one of the primary reason for an up-move in bullions, as it raised expectations for a pause in rate hike cycle.

The truce between Israel and Hamas was brokered by the US, Qatar and Egypt under its terms a pause in fighting was put into place for four days giving both sides time to exchange hostages. Along with releasing of the hostages, there were also news regarding ceasefire between the two. Many believe that this could be a short-lived event, as the war has not ended; hence, bullions ignored this ease off.

Exchange Contract	Gold Spot	COMEX	MCX
Open	1994	1991	61072
Close	2002	2003	61364
Change	8	18	651
% Change	1.11%	0.92%	1.07%
Pivot	1999	1999	61270
Resistance	2007	2008	61484
Support	1994	1994	61150

Silver- Weekly Market Data			
Exchange	Silver	COMEX	MCX
Open	23.68	23.67	72899
Close	24.30	24.34	73884
Change	0.62	0.68	744
% Change	2.40%	2.05%	1.02%
Pivot	24.06	24.12	73495
Resistance	24.58	24.62	74364
Support	23.77	23.84	73016





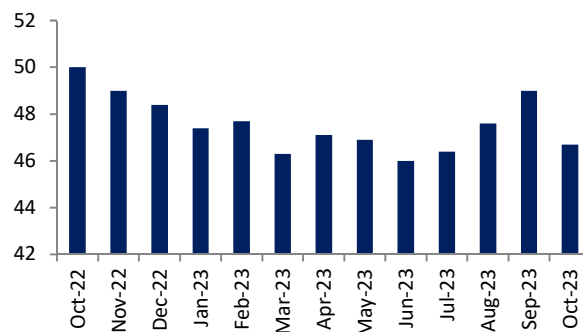
FOMC meeting minutes was also scheduled last week, wherein Fed officials expressed little urgency to raise interest rates again, even as they reiterated their willingness to tighten monetary policy further if warranted by new data. Minutest from Fed's November meeting confirmed that all officials are still committed to proceeding "carefully" on future rate decisions, as they debate whether they have squeezed the economy sufficiently to get inflation back down to central banks 2% target.

Investment in gold witnessed an outflow for the week ended 26<sup>th</sup> Nov, 2023 and holdings currently stand at ~882 tonnes compared to holding of ~884 tonnes in the previous week. Holding in ishares ETF witnessed an inflow of ~95 tonnes and holdings currently stand at ~13690 tonnes.

### Outlook

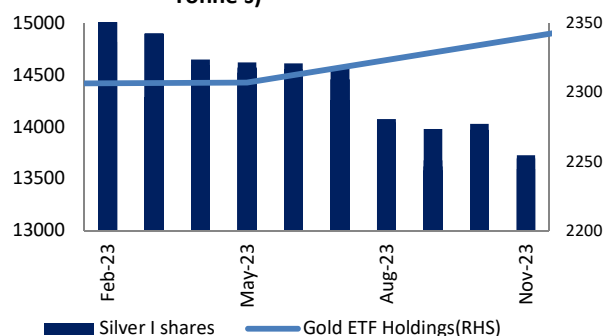
Economic calendar this week has some important data points scheduled which could trigger further volatility in the market. Focus will on US GDP, Consumer Confidence, Manufacturing PMI and Core PCE price index. Tussle between Fed official's comments and market participant's optimism regarding a pivot in Fed's current monetary policy stance is triggering volatility in the market. Continuous fall in Dollar Index and US Yields could support the rally in safe haven assets. Any updates regarding geo-political tensions will continue to be on radar. Looking at the recent move, buy on dips strategy for both Gold and Silver could be maintained.

### US Mfg. PMI



Source: Reuters

### Gold ETF and Silver IShare Holdings (in Tonne's)



Source: Reuters

## **Technical Outlook: -**

### **Gold:**

Gold has demonstrated a consistent northward trajectory, characterized by a pattern of higher highs and higher lows on the daily chart. Over the course of recent weeks, the precious metal has exhibited a commendable ascent, marking an approximate 1% increase on a week-on-week basis.

Technical indicator Ichimoku cloud indicates a robust bullish trend, with the price consistently trading above the conversion and baseline. Furthermore, the 14-day Relative Strength Index (RSI) is noteworthy for surpassing the 60-level threshold, underscoring the prevailing bullish momentum.

In terms of key levels, the support for gold is identified at approximately Rs.61200, followed by Rs.60900. Conversely, the resistance is anticipated at Rs.62000. A decisive break above this level is likely to push prices towards Rs. 63000 levels. As per the current technical structure we recommend buy on dips in the counter.



### **Silver:**

Silver prices experienced a substantial rise of around 1.03%, equivalent to an increase of approximately 760 rupees. The SILVER price has been trading in Bull flag pattern on the daily timeframe and at the same time, Silver has been moving in the higher highs and higher lows formation. The technical indicator ichimoku cloud suggest that the price is trading above the conversion and base line which act as the support for the counter. The 14-day RSI also supports a positive trend, as it's above the 60 levels, suggesting things are looking sideways to bullish.

In terms of key levels, the support for Silver is identified at approximately Rs.73800, followed by Rs.73000. Conversely, the resistance is anticipated at Rs.75500, break above this level could accelerate the momentum towards Rs. 78000 levels for medium term. Buy on dips is suggested in the counter for the medium term.





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